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ABSTRACT

Immigrants and refugees come to Canada for many reasons and are often risk-takers. Some ethnic groups follow identifiable patterns of distinctive economic development, while others meld and blend into Canadian society so that no discernible pattern can be identified. This publication provides an overview of the contributions made by seven successful immigrant entrepreneurs who have established small businesses in Canada. Each of the case studies provides information on the ethnicity, type of business, commencement and growth of the business and management techniques used by the businessperson. The case studies are: (1) a fishery owner in Newfoundland; (2) a food producer in Montreal; (3) a manufacturer of kitchen cabinets in Ontario; (4) the owner of a beauty supply company in Ontario; (5) a riverboat and tour bus operator in Manitoba; (6) a family-owned auto body business in Saskatchewan; and (7) a sawmill owner in British Columbia. (VM)

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ETHNOCULTURAL GROUPS - THE MAKING OF CANADA

ECONOMIC CONTRIBUTIONS TO CANADIAN LIFE

Report 2: Seven Successful Small Business Entrepreneurs

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ECONOMIC CONTRIBUTIONS TO CANADIAN LIFE

Report 2: Seven Successful Small Business Entrepreneurs

Prepared for
Multiculturalism Canada

By
S. Dutt, V. Masemann, K. McLeod and K. Mock

March, 1986

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PREFACE

The role of immigrants, refugees and their numerous descendants in Canadian society is obviously an important one but one which we sometimes take for granted and do not yet fully understand. By nature, immigrants were often risk-takers. They were the ones ready to leave their homes and embark on a journey to a foreign land. They came to Canada for many different reasons - social, political, cultural, and economic and often they came for a combination of reasons. Some groups followed readily identifiable patterns of economic development within Canada. Within other groups, particularly those of long-time residence, the patterns cannot so easily be discerned as they have melded and blended into the more general fabric of development. Each of the groups make up part of the fabric of Canada. They have helped make Canada what it is, economically as well as socially and culturally.

To provide an overview of these contributions, Multiculturalism Canada has commissioned the production of brief historical highlights for 10 groups and the collection of a wide range of case histories of successful small business people. Two booklets have been prepared:

> Report 1 containing the historical highlights and Report 2 giving 7 case histories of individuals who have succeeded in small business. Other case histories of successes in big business may also be prepared.

ACKNOWLEDGEMENTS

A number of case histories have been collected for Multiculturalism Canada. This report presents a sample for consideration. Many business owners contributed their time to the compilation of these and other case histories. Their help is greatly appreciated.

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CASE STUDY #1

A Fishery Owner in Newfoundland

This case study is about an immigrant who took advantage of an opportunity that was not seized by people who had been catching fish for generations in Newfoundland - cod scraps and squid. He invented a process that used previously unused resources and built it into a multi-million dollar industry. Today his fishery produces "surimi", a protein paste, usually made from minced fish, a product familiar to Japanese consumers which is used as the basis for many products, including imitation crabmeat, which retails for less than half the price.

The owner, who is also a medical doctor, owns with several of his brothers a fish processing factory and a feeder plant, and is associated with a second feeder plant. The factory produces from cod the product "surimi" which is distributed across Canada by a major food corporation. His product is aimed at cutting into the Japanese exports, which totalled over forty five million kilos of surimi in the North American market in 1984-85. The fishery also produces frozen fish and employs around one hundred people in the summer months and 24-40 in the winter.

The surimi is not the first innovative market idea of this enterprise, however. After the owner emigrated from China with his medical degree, he interned in Sherbrooke, Quebec, and settled in Newfoundland in 1962. He then turned his attention to a resource previously unused in Newfoundland - squid. He taught local fisherman how to dry squid; and by 1979, his newly-formed company, financed by his family and federal government grants, exported nearly half a million kilograms of dried squid to the Far East. In that early period, he generated $15,000,000 of income for Newfoundland. However, since squid comes in cycles, he turned his attention to the development of surimi, while still producing frozen fish. By 1984, his company was producing two-thirds surimi and one-third frozen fish. He invested $800,000 in his surimi equipment, with no preliminary pilot project. He went "from the kitchen to commercial production" and is particularly proud of the risk he had the courage to take - which paid off.

He is an active member of the Newfoundland Chinese Association, and also belongs to the medical association, and the Canadian Manufacturers' Association. His hobbies are hunting and fishing! His cultural background played a key role in his ability

to see the possibilities for the invention of new products which wound appeal to the markets in the Far East and also to the rising health-conscious generation in North America. With his medical background, he has the scientific acumen to know which research needs to be done for new types of food, and the medical foresight to see their benefits for the modern world. He has now developed noodles and bread which incorporate surimi to produce a high-protein product, and he is looking for a distributor so that he can produce his products. He thinks these products would be of great value in increasing the protein intake of the old who subsist on a largely carbohydrate diet. He looks forward to expanding his markets and to producing new low-calorie healthful fish products.

CASE STUDY #2

A Food Producer in Montreal

This is the success story of a Canadian woman of Italian origin who started with an idea to meet the needs of her immediate family and who now operates a successful business.

All she wanted to do was develop a pasta from natural ingredients without white flour, preservatives or additivies a pasta her diabetic mother could safely eat. In the process she produced a sensational recipe and a pasta making enterprise which almost quadrupled sales in three years.

In the fall of 1982, she and her husband opened a delicatessen in St. Leonard but decided within six months to move to a warehouse operation and turn wholesale supplier. Volume of sales rose from $3,000 a week in 1983 to between $18,000 and $20,000 per week at present.

Their exotic pastas ranging from smoked salmon to pineapple noodles, lasagne and sauces are now offered also through various delicatessen chains, restaurants and other outlets. The couple expect to triple production with newly imported automated equipment from Italy which they plan to house in a new warehouse cum restaurant building.

They are very proud of their achievements. They plan to franchise their operation with units in five different locations within two years and expect to double volume of sales in six months. In fact, they now have their sights set on penetrating the U.S. market in the near future.

CASE STUDY #3

A Manufacturer of Kitchen Cabinets in Ontario

This is the success-story of a man who came to Canada with only small change in his pocket and who now owns a business that employs 700 people. This is the story of a man who laboured in a kitchen cabinet factory and who, twenty years later, has built a business with sales of over sixty million dollars.

The business is now very large, but its story is exactly the same as for a small-medium business. When its founder left Germany in 1956, he worked in geology for four years, but realized that his lack of a university degree would never lead to the success of which he dreamed. He started working as a labourer in a kitchen cabinet factory, moved his way up to management, and then invested his own savings ($2,846.00) in his own business in 1966.

He realized that the shift from on-site manufacturing to pre-fabricated units would open a large market for kitchen cabinets and bathroom vanities. His business began as a two-man operation, and in 1970 sales doubled overnight. By 1976, business had doubled again. His labour force grew with the expansion of the business, and he now employs workers from all over the world. He believes that immigrants are highly motivated to work and to prosper.

His expansion was also geographic, to new markets. He now has branches and franchises across Canada, and in the UnitedStates south from Boston to Key West. He does not aim at any particular ethnic clientele but at a general market. His company now has 4,500 sq.m. of manufacturing area, and a multi-million dollar expansion is in the works (paid for in cash).

Personally, he does not see himself as a member of an ethnocultural community, but as a singular individual. However, he says that his cultural background "taught us to work our butts off and produce a good day's work." He has also instituted management practices and an apprenticeship program for young workers similar to those found in European factories. He is interested in sports such as soccer and hockey, and sponsors children from Europe for sports activities in Canada.

He believes in the bottom line of profit, and in good working conditions for his multicultural workforce. The new immigrants he hired in the early years have risen to senior positions and now their offspring and relatives are entering the company to learn a trade. He believes in producing a good product at a competitive price and serving the customer well. His plans for the future are to double the business in five years. This is the story of twenty years of hard work and solid achievement.

CASE STUDY #4

A Beauty Supply Company in Ontario

This successful woman is the owner and president of a beauty supply company in Toronto. Her business supplies black health and beauty aid products to retail stores and hairdressers for men and women across Canada, but particularly in the Toronto, Quebec and Nova Scotia markets - since these areas have the largest black populations to buy her products.

She was born and raised in Nova Scotia, and worked for eleven years with a barber and beauty supply house for the general market. In 1970, she saw the need for a specialist supply house for Southern Ontario's growing black population. She set up her own business, and was in her own words "picker, packer, shipper, and cleaning lady." She convinced a leading Chicago distributor of "hair relaxer" and other products to let her distribute his products in the Canadian market. This was the era of the "Black is Beautiful" movement, and her products hit the market at a timely period in modern black history.

The business has never looked back. To the original hair relaxer, she has added such items as the cold wave for black hair and other products. She expanded from Southern Ontario to Quebec and Nova Scotia, and then to Edmonton, Calgary, and Vancouver. She presently owns a warehouse distribution centre near Toronto, and has four beauty supply houses in the vicinty. The company is represented across Canada by sales representatives, and there are a total of 25 employees in her central operation (packers, drivers, office and sales staff). The business is now a multi-million dollar a year operation.

She takes particular pride in the fact that she is able to offer employment to young people who have graduated from community colleges. She occupies an esteemed place in the community and supports events "that I really believe in." She is active in the Harry Jerome Awards program, in the Sickle Cell Association of Ontario, the Ontario Science Centre and the Canadian-Caribbean Youth Association. She is also a tea hostess for Lincoln Alexander, Ontario's first black Lieutenant-Governor. She likes to read, walk, and listen to music in her "spare" time.

She has a firm belief in the power of education. She does training workshops and seminars on black hair care. She is a member of the Allied Beauty Association and at their recent convention of 12-15,000 hair stylists, she was the first person ever to speak on the care and styling of black hair. She is forging a successful path in business, in the black community, and the multicultural Canadian society.

CASE STUDY #5

A Riverboat and Tour Bus Operator in Manitoba

This story of a prominent businessman shows how a business can be adapted to local ethnocultural conditions, while at the same time it appeals to the general public and to tourists from all over the world. He owns the riverboats which ply the Red River in the summer, and the Gray Line tour-bus franchise for Manitoba. Every Wednesday night, the paddleboats (which seat 200 and 400 people) feature ethnic dance ensembles and entertainment. Moreover, the Folklorama multicultural festival provides their costumed Queens in ethnic dress who often bring ethnic dancers with them on the cruises. This business brings in tourists to Canada and to Manitoba, and carries over 100,000 passengers per season.

The owner is a dentist, born in Windsor, Ontario of Ukrainian parents who moved to Manitoba to farm in 1938. He grew up on the banks of the Red River and owned his first boat as a boy. Although he trained in Toronto as a dentist, and returned to practise as a dentist in Winnipeg and Selkirk, as well as running in five federal elections and being very active in Ukrainian community affairs, his early love of boats and the water spurred him to take the risk of buying two paddleboat steamers that were up for sale in 1969. He then acquired the Gray Line franchise in 1972-73, and operates tour-buses in conjunction with the riverboat cruises in comprehensive tourist packages.

His business is aimed at tourists worldwide who may wish to visit Canada, and his brochures are distributed to tour operators worldwide. He is proud that his business brings people into Canada, when so many Canadian tour businesses are arranging to take people out. He also adds an ethnic dimension to the meals and entertainments on his boats in conjunction with Folklorama and through advertising on the local multicultural radio station.

His business employs one hundred people in the summer and ten in the winter. The summer employees work as ship's crew, mechanics, entertainers, chefs and kitchen staff, and students are employed for publicity and office and restaurant work. He owns the two riverboats and 14-15 diesel double-decker buses, imported from England. The business is a limited company, with three family shareholders including himself.

He is a very active member of the Ukrainian and the general community. He was vice-president of the Federation of Ukrainian Professional and Business Clubs of Canada and past president of the Ukrainian Professional and Business Club of Winnipeg. He has been actively involved in human rights issues, and his present interest is in seeing justice done for the memory of Ukrainians with Austrian passports who were detained as enemy aliens in Canadian internment camps in World War I.

He is a very strong believer in Canada, in the role of the ethnocultural communities, and in the value of business in furthering Canada's future.

CASE STUDY #6

A Family-Owned Auto Body Business in Saskatchewan

The auto body shop in this case study is situated on the same site as the original blacksmith shop opened in 1909. The business has evolved over four generations to a modern auto body repair business operated by his great grandson. The family members over generations have played a large part in the life of the Jewish community and the community at large, and are committed to doing so in the foreseeable future.

The business today provides auto body repair, painting, frame work, wheel alignment, and front end work. They mainly repair automobiles that have been in serious car accidents. There are seventeen employees which include a manager, secretary, foremen, and the painters, body men, front end men, and the janitor. The great-grandson manages the shop on a day-to-day basis, while his father is still the president. The building, land, paint booths, and frame equipment are owned by the company.

Since the family have run the business for 77 years, they have customers whom they have served for generations, and have networks through their community activity with many people in Saskatoon. The business is located in what is now a Chinese part of town, and they serve a Chinese and Vietnamese clientele. Other customers are Lebanese, and also Hutterites. The family have a strong orientation to customer service and rarely need to advertise. "Word of mouth has served us for 70 years."

The history of the business is a slice of Western Canadian history covering nearly all of the twentieth century. The first owner emigrated from Russia with his wife and two children in 1904. After struggling to farm for three years, he worked on the Grand Trunk Bridge in Saskatoon for three years. In 1907, he adapted his original trade of carriage-building (body work mainly) to a blacksmithing business. This evolved over the years into a repair business for democrats, buggies, and eventually cars. His son worked intermittently in the business during the Depression and returned to work there from 1937 to 1962. In turn, his son ran the business from 1962 to 1981.

This business did not so much expand as evolve, as the community and the technology evolved. It kept pace with changing needs and continued to provide a focus for business activities of a family over four generations. Three generations are still living. The grandfather, now 82, is Commissioner of Industry and Commerce for the province and represents Saskatchewan at functions mainly in California, where he resides. His son has been active in B'nai B'rith and the Kinsmen. He comments "I don't think your business survives if you don't belong to the community." Another of his credoes, echoed by his son is "You do not just take out of a community, you have to put something back in."

Plans for the future are for the business to continue to provide high-quality prompt service and workmanship and to remain a dependable name in the community.

CASE STUDY #7

A Sawmill Owner in British Columbia

This is the story of the rise of a youth who started working at a sawmill at fourteen and who now is the largest independent sawmill operator on the West Coast. In a period of twenty-four years, his business has grown from fourteen employees to 325. The owner is from the Sikh community near Vancouver.

The business consists of five plants: two sawmills, two remanufacturing plants (for finished products), and a log processing plant. The 325 employees are some 50 office and managerial staff and some 275 sawyers, millwrights, electricians, trimmers, graders, and others. Founded in 1962, the business is located on five sites in the Fraser River. Sales in the 1985-85 year were $70,000,000.00. The company is family owned, and the president controls the large majority of shares.

The president was born in the Punjab, India in 1922, and emigrated with his parents to Canada as a small child. He grew up in South Vancouver, and his father before him worked in the sawmills. He in turn went to work there and then turned to the trucking business. From his savings, he started his sawmill business in 1962.

His first market was the U.K., and in 1968 he expanded to U.S. markets. He cites 1972 as the breakthrough year, and says that "breaks and timing" were the reasons. The economy was growing and times were good. In 1980, he opened his remanufactering plants and in 1985 his logging plants, in order to ensure a reliable supply of hemlock, cedar, and fir for his other mills. Today, the plants produce logs, lumber products for inside and outside use, siding, boards, and panelling. The main finished products come from cedar.

This entrepreneur sees himself as belonging to Canadian society in general. He is a member of a local Sikh temple and a trustee of the India Cultural Centre. He supports other general community causes. He says he has little time for leisure pursuits as "I've got all my eggs in one basket." However, he does spend some time relaxing at his second home in Palm Springs, California.

He think that hard work and honesty are the essential ingredients of success. He thinks that his plants do have additional capacity, but at the moment he is not thinking of expanding. In his lifestyle, he has seen great changes in his own life and in the society around him.